

INITIAL STATEMENT OF REASONS

- a) Specific Purpose of the Regulations and Factual Basis for Determination that Regulations Are Necessary

Section 41-440.221

Specific Purpose:

This section is being amended to remove the reference to Assembly Bill (AB) 98 subsidized employment, which was repealed by AB 1603 (Chapter 25, Statutes of 2016), Section 7 effective January 1, 2017.

Factual Basis:

This amendment is necessary to remove the reference to the AB 98 subsidized employment program, which was repealed by AB 1603 and has been removed from the Welfare and Institutions Code (repealed section 11322.63). The AB 98 subsidized employment program no longer exists, so removing references to the program in Section 41-440.221 eliminates information that would be confusing. Clients in the California Work Opportunity and Responsibility to Kids (CalWORKs) program can no longer participate in the AB 98 subsidized employment program, so they can no longer leave CalWORKs aid due to income from the AB 98 subsidized employment program. There are no longer AB 98 Subsidized Employment participants, so there is no longer a need for an AB 98 Subsidized Employment exemption to the 100-hour rule discussed in this section.

Section 42-711.44

Specific Purpose:

This section is being adopted to introduce the policy created by Welfare and Institutions Code section 11322.83 to deem hours for Approved Career Pathways under the Workforce Innovation and Opportunity Act (WIOA). Currently no regulations exist for this statutorily required policy.

Factual Basis:

This adoption is necessary to implement Welfare and Institutions Code section 11322.83 and to provide a heading and introduction for the guidance that follows. The guidance for deeming hours in an Approved Career Pathway under the WIOA has several components and requires an introductory heading.

Section 42-711.441

Specific Purpose:

The section is being adopted to explain that participation and satisfactory progress in an Approved Career Pathway is deemed to meet the hourly requirement for CalWORKs minimum standards as described in Section 42-711.4. This section begins providing guidance for Approved Career Pathways under the WIOA.

Factual Basis:

This adoption is necessary to implement Welfare and Institutions Code section 11322.83 and to explain what deeming participation in Approved Career Pathways under the WIOA means. This adoption is also necessary to affirm that the participant must be making satisfactory progress in the Approved Career Pathway for the participation to be deemed to meet the hourly requirements for CalWORKs minimum standards. Lastly, this adoption is necessary to explain that deeming participation in Approved Career Pathways meets the hourly requirements for CalWORKs minimum standards, which are described in Section 42-711.4.

Handbook Section 42-711.441(a)

Specific Purpose:

This handbook section is being adopted to describe the WIOA. The WIOA is not a CalWORKs program and users of the Manual of Policies and Procedures need a description of this program to understand the guidance that follows this section for deeming participation in Approved Career Pathways under the WIOA to meet the hourly requirements for CalWORKs minimum standards.

Factual Basis:

This adoption is necessary to implement Welfare and Institutions Code section 11322.83 and to explain what the WIOA is. Temporary Assistance for Needy Families programs (including CalWORKs) are mandated by federal statute to partner with the WIOA, but the WIOA is not a Temporary Assistance for Needy Families or CalWORKs program. As stated in Welfare and Institutions Code section 11322.83, the WIOA is federal law (Public Law 113-128 and 29 United States Code section 3122(d)(5)). This amendment is also necessary because a description of the WIOA assists with explaining the Approved Career Pathway in section 42-711.441(b).

Section 42-711.441(b)

Specific Purpose:

The section is being adopted to describe the Approved Career Pathway under the WIOA. Approved Career Pathways are not currently in the Manual of Policies and

Procedures and must be described to provide guidance for deeming participation to meet the hourly requirements for CalWORKs minimum standards as described in Section 42-711.4.

Factual Basis:

This adoption is necessary to implement Welfare and Institutions Code section 11322.83 and to describe Approved Career Pathways. Career pathways are a component of the federal WIOA, which is described in Section 42-711.441(a). Approved Career Pathways were created by Welfare and Institutions Code section 11322.83 specifically for the CalWORKs program and need to be explained for users of the Manual of Policies and Procedures, particularly the County Welfare Departments, which are implementing this policy. Career Pathways are defined by Unemployment Insurance Code section 14005(c), Public Law 113-128 section 3(7), and 29 United States Code 3102 section 7 (2014). Approved Career Pathways need to be described in handbook in order for the information about deeming participation in Approved Career Pathways to be useable.

Section 42-711.442

Specific Purpose:

This section is being adopted to explain that participation in Approved Career Pathways is deemed to meet the hourly requirements for CalWORKs minimum standards regardless of the number of hours actually participated.

Factual Basis:

This adoption is necessary to implement Welfare and Institutions Code section 11322.83(a) and to explain that even when the hours participated in Approved Career Pathway activities are insufficient to meet the usual hourly requirements for CalWORKs minimum standards, the participation is deemed to meet the hourly requirements for CalWORKs minimum standards as described in Section 42-711.4.

Section 42-711.442(a)

Specific Purpose:

This section is being adopted to explicitly state that Welfare and Institutions Code section 11322.83 does not stop the Welfare-to-Work 24-Month Time Clock as described in Section 42-708.2 unless the activities meet the requirements of California federal standards found in Section 42-709.

Factual Basis:

This adoption is necessary to implement Welfare and Institutions Code section 11322.83(a) and to ensure that County Welfare Departments do not stop ticking participants' Welfare-to-Work 24-Month Time Clocks when deeming participation in

Approved Career Pathways. Welfare and Institutions Code section 11322.83 does not permit County Welfare Departments to stop ticking participants' Welfare-to-Work 24-Month Time Clock, unless the Approved Career Pathway activities in which the individual is participating meet CalWORKs federal standards as described in Welfare and Institutions Code section 11322.85. This amendment affirms the intent of the CDSS and Welfare and Institutions Code section 11322.83 that deeming participation in an Approved Career Pathway does not stop the Welfare-to-Work 24-Time Clock.

Section 42-711.443

Specific Purpose:

This section is being adopted to explain how Welfare-to-Work activities are determined to qualify as Approved Career Pathways under the WIOA.

Factual Basis:

This adoption is necessary to implement Welfare and Institutions Code section 11322.83(b) and to explain how County Welfare Departments determine if a CalWORKs Welfare-to-Work participant is participating in a Welfare-to-Work activity or activities that qualify as an Approved Career Pathway. Career Pathways are defined by the WIOA in the Unemployment Insurance Code section 14005(c), Public Law 113-128 Section 3(7), and 29 United States Code 3102 Section 7 (2014). An Approved Career Pathway is not a Welfare-to-Work activity but allowable Welfare-to-Work activities may meet the requirements to qualify as Approved Career Pathways. Local workforce development boards are responsible for workforce services and activities under the WIOA, so they are able to determine what Welfare-to-Work activities qualify as Approved Career Pathways under the WIOA as indicated in Welfare and Institutions Code section 11322.83.

Section 42-711.443(a)

Specific Purpose:

This section is being adopted to list examples of Welfare-to-Work activities that may meet the requirements for an Approved Career Pathway under the WIOA. This assists County Welfare Departments in consultation with local workforce development boards as described in Section 42-711.443.

Factual Basis:

This adoption is necessary to implement Welfare and Institutions Code section 11322.83(b) and to provide County Welfare Departments with guidance when consulting local workforce development boards concerning Approved Career Pathways under the WIOA. This section is not comprehensive to list all possible Welfare-to-Work activities that may qualify for an Approved Career Pathway under the WIOA. Welfare and Institutions Code section 11322.83 provides latitude for

County Welfare Departments by not prescribing the Welfare-to-Work activities that comprise Approved Career Pathways, thus this section provides a list of examples only.

Section 42-711.443(b)

Specific Purpose:

This section is being adopted to explain that satisfactory progress for Approved Career Pathways is determined by County Welfare Departments.

Factual Basis:

This adoption is necessary to implement Welfare and Institutions Code section 11322.83(b) and to explain that participants must make satisfactory progress in Approved Career Pathways to deem participation to meet hourly requirements. The Welfare and Institutions Code section 11322.83(b) requires the County Welfare Departments to make the determination if participants are or are not making satisfactory progress in Approved Career Pathways.

Section 42-711.444

Specific Purpose:

This section is being adopted to clarify that participation in an Approved Career Pathway cannot be deemed to meet the hourly requirements for CalWORKs federal standards as described in Section 42-709.

Factual Basis:

This adoption is necessary to implement Welfare and Institutions Code section 11322.83(a) and to clarify that while participation may be deemed for the hourly requirements for CalWORKs minimum standards, it may not be deemed to meet CalWORKs federal standards. Welfare and Institutions Code section 11322.83 explicitly states that deeming participation in Approved Career Pathways meets the hourly requirements for CalWORKs minimum standards. However, Welfare and Institutions Code section 11322.83 does not state that participation in Approved Career Pathways can be deemed to meet the hourly requirements for CalWORKs federal standards. This amendment makes it clear that Welfare and Institutions Code section 11322.83 does not allow Approved Career Pathways to be deemed to meet the hourly requirements for CalWORKs federal standards as described in Section 42-709.

Section 42-711.444(a)

Specific Purpose:

This section is being adopted to clarify that while participation in an Approved Career Pathway cannot be **deemed** to meet the hourly and activity requirements for CalWORKs federal standards, the Welfare-to-Work activity or activities that meet the requirements for an Approved Career Pathway may also meet the **actual** hourly and core/non-core requirements for CalWORKs federal standards.

Factual Basis:

This adoption is necessary to implement Welfare and Institutions Code section 11322.83(a) and to clarify the difference between deeming participation to meet hourly requirements and actually meeting hourly requirements. The purpose of Welfare and Institutions Code section 11322.83 is to allow participation in Approved Career Pathways to be deemed to meet hourly requirements to meet CalWORKs minimum standards as described in Section 42-711.4. However, that does not preclude participation in an Approved Career Pathway from meeting CalWORKs federal standards when both the hourly and core/non-core requirements as described in Sections 42-709.2 and .3 are achieved by the participation in the Approved Career Pathway.

Section 42-716.7 et seq.

Specific Purpose:

This section is being repealed to remove guidance for the AB 98 subsidized employment program which was repealed by AB 1603 (Chapter 25, Statutes of 2016), Section 7 effective January 1, 2017.

Factual Basis:

The repeal of this section is necessary to comply with AB 1603, Section 7 (repealed Welfare and Institutions Code section 11322.63) and to remove guidance for the AB 98 subsidized employment program. Clients in the CalWORKs program can no longer participate in the AB 98 subsidized employment program. Removing all guidance for the AB 98 subsidized employment program in Section 42-716.7 eliminates information that would be confusing, as it refers to a program that no longer exists.

Section 42-716.813

Specific Purpose:

This section is being adopted to expand eligibility in the Expanded Subsidized Employment program to include individuals who have exceeded the 48-month time

limit and who are receiving safety net benefits for their eligible children as described in Section 42-302.1.

Factual Basis:

This adoption is necessary to implement Welfare and Institutions Code section 11322.64(a)(1) and to expand the eligibility for the Expanded Subsidized Employment program to include individuals who have exceeded the 48-month time limit and continue to receive safety net benefits for their eligible children as described in Section 42-302.1. This section provides guidance for serving these individuals with Expanded Subsidized Employment. Currently, regulations do not address this population, which became eligible effective July 1, 2017.

Section 42-716.813(a)

Specific Purpose:

This section is being adopted to affirm that a Safety Net individual who is participating in Expanded Subsidized Employment (as described in Section 42-716.813) may continue in the placement if the family becomes ineligible for CalWORKs cash assistance due to income from the Expanded Subsidized Employment placement.

Factual Basis:

This adoption is necessary to implement Welfare and Institutions Code section 11322.64(a)(1) and to clarify that Safety Net individuals as described in Section 42-716.813 may continue in their placements if their families become ineligible for CalWORKs cash assistance due to Expanded Subsidized Employment income. This policy for Safety Net individuals is the same as for current recipients as stated in Section 42-716.811(a). The participants are no longer receiving cash assistance, but their eligible children continue to receive assistance. If the children become ineligible for cash assistance due to the parents' Expanded Subsidized Employment income, the Expanded Subsidized Employment placement will not end and the family will not immediately need CalWORKs cash assistance again. Currently, regulations do not address this population, which became eligible effective July 1, 2017.

Section 42-717 (Title)

Specific Purpose:

The section is being amended to clarify the title. The regulations in this section provide guidance for both Job Retention and Post-Aid services. This amendment adds "Post-Aid" to the section title.

Factual Basis:

This amendment is necessary to implement Welfare and Institutions Code sections 11320.15, 11322.64, and 11323.25 and to revise the participation requirement (in Section 42-717.7) for former recipients who have exceeded the 48-month time limit and who are receiving safety net benefits for their eligible children as described in Section 42-302.1. In order to ensure that this section clearly identifies the contents, the title must be changed to indicate that this section includes both "Job Retention" and "Post-Aid" guidance. Because 42-717.7 must be amended to remove the reference to Section 42-716.7 (AB 98 Subsidized Employment; repealed Welfare and Institutions Code section 11322.63) and add a reference to Section 42-716.8 (Expanded Subsidized Employment; Welfare and Institutions Code section 11322.64), the CDSS is taking this opportunity to also amend and clarify the title of Section 42-717.

Section 42-717.6

Specific Purpose:

The section is being amended to clarify County Welfare Departments' discretion regarding the requirement for community service participation for employed former recipients who left CalWORKs aid for diverse reasons and who are receiving job retention services as described in Sections 42-717.1 – .5 only. This section does not include unemployed former recipients who reach the 48-month time limit and continue to receive Safety Net benefits for their eligible children as described in Section 42-302.1.

Factual Basis:

This amendment is necessary to clarify the community service requirement for section 42-717.6. It is necessary to clarify the language in 42-717.6 because section 42-717 must be updated to implement Welfare and Institutions Code sections 11320.15, 11322.64, and 11323.25. Currently, section 42-717.6 states there is no community service requirement for services provided under Section 42-717 unless the County Welfare Department chooses to have this requirement, but Section 42-717.7 has a community service requirement. The reason for this conflicting information is that Sections 42-717.1 through 42-717.6 provide job retention services to former recipients who leave CalWORKs assistance for diverse reasons and who are employed. Section 42-717.7 provides services to former recipients—whether or not they are employed—who reach the 48-month time limit and continue to receive Safety Net benefits for their eligible children as described in Section 42-302.1. Because 42-717.7 must be amended to remove the reference to Section 42-716.7 (repealed AB 98 Subsidized Employment) and add a reference to Section 42-716.8 (Expanded Subsidized Employment), the CDSS is taking this opportunity to also correct and clarify the language in Section 42-717.6 regarding the difference between employed former recipients who leave CalWORKs aid for diverse reasons and former recipients who reach the 48-month time limit and

continue to receive Safety Net benefits for their eligible children as described in Section 42-302.1.

Section 42-717.7

Specific Purpose:

This section is being amended to remove the reference to the repealed AB 98 Subsidized Employment program, and to clarify that services may be provided to former recipients—regardless of employment status—who reach the 48-month time limit and continue to receive Safety Net benefits for their eligible children as described in Section 42-302.1. This amended section introduces the requirements for post-aid participation in section 42-717.71.

Factual Basis:

The repeal of the current language is necessary to implement Welfare and Institutions Code section 11320.15, to remove the reference to the repealed AB 98 subsidized employment program. The adoption of the new language clarifies that this section provides services for former recipients who reach the 48-month time limit and continue to receive Safety Net benefits for their eligible children as described in Section 42-302.1.

Section 42-717.71

Specific Purpose:

This section is being adopted to clarify that in order receive post-aid services, individuals who reach the 48-month time limit and continue to receive Safety Net benefits for their eligible children as described in Section 42-302.1 must participate in community service as described in Section 42-716.1(j) or Expanded Subsidized Employment as described in Section 42-716.8.

Factual Basis:

This adoption is necessary to implement Welfare and Institutions Code sections 11320.15, 11322.64, and 11323.25 because former recipients who reach the 48-month time limit and continue to receive Safety Net benefits for their eligible children as described in Section 42-302.1 do not have to be employed in unsubsidized employment—unlike the former recipients described in Sections 42-717.1 through .6—but they must participate in either community service as described in Section 42-716.1(j) or Expanded Subsidized Employment as described in 42-716.8 to receive post-aid services. This adoption is also necessary to change the subsidized employment participation requirement from AB 98 Subsidized Employment, which has been repealed, to Expanded Subsidized Employment.

Section 42-717.72

Specific Purpose:

This section is being adopted to describe the type of services that CWDs may provide to former recipients who reach the 48-month time limit and continue to receive Safety Net benefits for their eligible children, as described in Section 42-302.1.

Factual Basis:

This adoption is necessary to implement Welfare and Institutions Code sections 11320.15, 11322.64, and 11323.25 and to provide examples of the types of services that may be provided to former recipients. There are two categories of former recipients who may receive services: former recipients who leave CalWORKs aid for diverse reasons and who are employed as described in Sections 42-717.1 through .6, and former recipients who reach the 48-month time limit and continue to receive Safety Net benefits for their eligible children as described in Section 42-302.1 and who may be employed or unemployed. This section clarifies that though the categories are different, the services that may be provided for the two categories of former recipients are the same.

Section 44-207.111

Specific Purpose:

This section is being amended to remove the reference to AB 98 subsidized employment, which was repealed by AB 1603 (Chapter 25, Statutes of 2016), section 7 effective January 1, 2017.

Factual Basis:

This amendment is necessary to remove the reference to the AB 98 subsidized employment program, which was repealed by AB 1603 and has been removed from the Welfare and Institutions Code (repealed section 11322.63). The AB 98 subsidized employment program no longer exists, so removing references to the AB 98 subsidized employment program in section 44-207.111 eliminates information that would be confusing. Clients in the CalWORKs program can no longer participate in the AB 98 subsidized employment program, so there are no longer any participants who can leave CalWORKs aid due to income from the AB 98 subsidized employment program.

b) Identification of Documents Upon Which Department Is Relying

AB 1603 (Chapter 25, Statutes of 2016) Sections 4, 5 and 7 through 12.

c) Local Mandate Statement

These regulations do impose a mandate upon local agencies but not upon school districts. The mandate is not required to be reimbursed pursuant to part 7 (commencing with Section 17500) of Division 4 of the Government Code or Section 6 of Article XIII B of the California Constitution because implementation of the regulations will result in no additional costs to local agencies.

d) Statement of Alternatives Considered

In developing the regulatory action, the California Department of Social Services (CDSS) considered no alternatives because regulations for Welfare and Institutions Code sections 11320.15, 11322.63, 11322.64, 11322.83, and 11323.25 are required by AB 1603 (Chapter 25, Statutes of 2016), Section 36(b). The CDSS is legally bound to develop regulations for these Welfare and Institutions Code sections.

The CDSS must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective as and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

e) Statement of Significant Adverse Economic Impact On Business

The CDSS has made an initial determination that the proposed action will have no statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. This determination was made based on the content of the Welfare and Institutions Code sections 11320.15, 11322.63, 11322.64, 11322.83, and 11323.25, which assist CalWORKs Welfare-to-Work participants and former recipients to participate in activities designed to lead to self-sufficiency. The only impacts on businesses are positive because employers may be able to hire employees with reduced costs due to Expanded Subsidized Employment subsidies and there may be better trained applicants because of participation in Approved Career Pathways.

f) Economic Impact Assessment [*Government Code section 11346.3(b)*]

The adoption of the proposed amendments may create jobs in California. By being able to provide subsidies to employers to hire former CalWORKs recipients who have reached the 48-month time limit and who are receiving Safety Net benefits for their eligible children, employers may be able to create new positions at less cost. Additionally, deeming participation in Approved Career Pathways to meet the requirements of CalWORKs minimum standards may increase the competitiveness of California businesses by providing access to a larger pool of trained applicants.

The adoption of the proposed amendments will not eliminate jobs in the State of California nor result in the elimination of existing businesses or create or expand businesses in the State of California. These proposed regulations may positively impact businesses currently doing business with the state because employers may be able to hire employees with reduced costs due to Expanded Subsidized Employment subsidies and there may be better trained applicants because of participation in Approved Career Pathways.

The regulations are statutorily required and provide guidance for County Welfare Departments. The benefits of Welfare and Institutions Code sections 11322.64(f) and 11322.83—which the proposed regulations provide guidance for—are to expand eligibility for Expanded Subsidized Employment to former recipients who have reached the 48-month time limit and who are receiving safety net benefits for their eligible children as described in Section 42-302.1. There are also benefits for current recipients who are in Welfare-to-Work activities that qualify as Approved Career Pathways under the Workforce Innovation and Opportunity Act to have their hours deemed to meet the hourly requirement for CalWORKs minimum standards even when the actual hours of participation are fewer than the required average weekly hours. This access to participating in Approved Career Pathways may result in participants becoming more employable so they and their families may become self-sufficient.

g) Benefits Anticipated from Regulatory Action

The benefits include making Expanded Subsidized Employment available to more CalWORKs participants and providing greater access to workforce services by deeming participation in Approved Career Pathways under the WIOA to meet minimum hourly requirements for CalWORKs.

The proposed mandatory regulations modify the Expanded Subsidized Employment to serve former recipients who have reached the 48-month time limit and who are receiving safety net benefits for their eligible children as described in Section 42-301.1. There are also benefits for current recipients who are in Welfare-to-Work activities that qualify as Approved Career Pathways under the Workforce Innovation and Opportunity Act to have their hours deemed to meet the hourly requirement for CalWORKs minimum standards even when the actual hours of participation are fewer than the required average weekly hours. This access to participating in Approved Career Pathways may result in participants becoming more employable so they and their families may become self-sufficient.

h) Statement of Specific Technology or Equipment

This regulatory action will not mandate the use of new, specific technologies or equipment.